



August 1, 2008

Ms. Jennifer J. Johnson  
Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> & C Streets NW  
Washington, DC 20051

RE: Docket Number R-1315  
Proposed changes to Regulation DD  
Truth in Savings Act  
73 Federal Register 28739, May 19, 2008

Dear Ms. Johnson:

The Jones National Bank & Trust Co. appreciates the opportunity to submit its comment to the Federal Reserve Board (FRB) proposed amendment to Regulation DD, which implements the Truth in Savings Act. The Jones National Bank & Trust Co. is a national bank located in the state of Nebraska.

In general, The Jones National Bank & Trust Co. is concerned that the proposed system of "opting-out" of overdraft fees may have adverse consequences for customers. Overdraft fees can be avoided by customers without requiring a specific advance notice and opt-out followed by repeated periodic out-out reminders. Our customers regularly manage their accounts to avoid overdrawing them.

Our loan officers review overdrawn accounts each day making decisions regarding returning or honoring the overdraft along with the number of checks that will be charged an overdraft fee. We believe this a fair to our customers without the burdensome compliance exercise of a formal one-size-fits-all opt-out requirement. We believe that it is important that an opt-out notice, if required, provide complete information to customers (it is our believe that an opt-out program is not a good regulation addition).

Overdraft fees can be reasonably avoided and are not unfair when assessed without a formal advance notice opt-out. Fees for covering overdrafts are addressed in the account agreement and new customers are made aware of these fees as well as any applicable maintenance fees and NSF fees at the time of opening their account. Bank customers know in advance what the rules and the costs are for overdrawing an account-all with out the imposition of a formal opt-out notice.

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Customers understand that it is their responsibility to balance their accounts-and overdrafts fees provide both an incentive to do so and a user charge when they inadvertently fail to do so. Overdraft fees are not injurious, but rather are the price for bank accommodation in fulfilling a payment choice, instead of denying a transaction. Paying items rather than refusing them helps customers avoid merchant fees and adverse credit experience. If checks are returned, merchants may be less willing to accept checks from these customers in the future.

It does not appear the proposal for a partial opt-out of ATM and debit card transactions, while retaining coverage for checks and ACH transactions, is technically feasible under our bank processing system. If there was a revision to our software in the future to accommodate this process it will most likely be a significant expense to the bank. Since there is not a software package available at this time to accommodate the proposal it is hard to estimate a cost, but in looking back at other software changes we are estimating the cost to be \$20,000.00 to \$25,000.00 plus annual maintenance costs. We would have to look at passing that cost on to our customers in some manner of fee increases.

In conclusion, providing accommodation for overdrafts does not in our opinion cause "injury" to bank customers, but rather provides a benefit. Any fees for overdrawing an account are reasonably avoidable through the exercise of normal care by bank customers. Overdraft programs are successful because the benefits outweigh the disadvantages. They are sustainable because customers want the bank to recognize that when they inadvertently overdraw their account they can be trusted to make it right.

Sincerely,



Mike Hecker  
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